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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	
	:	Chapter 11
DELPHI CORPORATION, <i>et al.</i> ,	:	Case No. 05-44481 [RDD]
	:	
Debtors.	:	Jointly Administered
	:	
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**DEBTORS' STATEMENT OF DISPUTED ISSUES WITH RESPECT TO  
PROOF OF CLAIM NUMBER 11530 (ESSEX GROUP, INC.)**

("STATEMENT OF DISPUTED ISSUES – ESSEX GROUP, INC.)

Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby submit this Statement Of Disputed Issues (the "Statement Of Disputed Issues") With Respect To Proof Of Claim Number 11530 (the "Proof Of Claim") filed by Essex Group, Inc. ("Claimant") and respectfully represent as follows:

**Background**

1. On October 8 and 14, 2005 (the "Petition Date"), the Debtors, filed voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§

101-1330, as then amended, in the United States Bankruptcy Court for the Southern District of New York.

2. On July 27, 2006, Claimant filed proof of claim number 11530 ("Proof Of Claim No. 11530") against Delphi. The Proof Of Claim asserts a claim in the amount of \$795,196.61 for the sale of goods secured by a right of setoff (the "Claim").

3. On August 9, 2006, Claimant asserted rights of setoff with respect to claims. The Claimant and the Debtors are attempting to reconcile the Claim and the amount that Claimant allegedly owes the Debtors (the "Receivable"). The Claimant has asserted that it owes the Debtors approximately \$2.4 million. Effectuating a setoff of the Receivable might result in a substantial reduction of the Claim.

4. On August 24, 2007, the Debtors objected to Proof of Claim No. 11530 pursuant to the Debtors' Twentieth Omnibus Objection Pursuant To 11 U.S.C. Section 502(b) And Fed. R. Bankr. P. 3007 To Certain (A) Duplicate And Amended Claims, (B) Insufficiently Documented Claims, (C) Claims Not Reflected On Debtors' Books And Records, (D) Untimely Claim, And (E) Claims Subject To Modification, Tax Claims Subject To Modification, Modified Claims Asserting Reclamation, Consensually Modified And Reduced Tort Claims, And Lift Stay Procedures Claims Subject To Modification (Docket No. 9151) (the "Twentieth Omnibus Claims Objection").

5. On September 19, 2007, Claimant filed the Response and Limited Opposition of Essex Group, Inc. To Debtors' Twentieth Omnibus Claims Objection (Docket No. 9419) (the "Response").

Disputed Issues

A. Delphi Does Not Owe Claimant The Amount Asserted In Proof Of Claim Number 11530

6. Claimant asserts in Proof Of Claim No. 11530 that Delphi owes Claimant a total of \$795,196.61 for goods sold. Delphi has reviewed the information attached to the Proof Of Claim and the Response and disputes that it owes the amount asserted in the Proof of Claim.

7. Because the Claimant has asserted its right to setoff, the Debtors and Claimant must reconcile both the Receivable and Claim. Although the Debtors have endeavored to do so, the reconciliation is not complete because, among other reasons, information concerning the Claim is not complete. Based upon information available to date, the Claim should be disallowed in its entirety because Claimant owes the Debtors approximately \$1,275,942.25, which is more than the Proof of Claim. The Debtors have objected to the Claim to preserve their rights if the Debtors and Claimant cannot come to a resolution of the Claim and Receivable.

Reservation Of Rights

8. This Statement Of Disputed Issues is submitted by the Debtors pursuant to paragraph 9(d) of the Order Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 2002(m), 3007, 7016, 7026, 9006, 9007, And 9014 Establishing (i) Dates For Hearings Regarding Objections To Claims And (ii) Certain Notices And Procedures Governing Objections To Claims (Docket No. 6089) (the "Claims Objection Procedures Order"). Consistent with the provisions of the Claims Objection Procedures Order, the Debtors' submission of this Statement Of Disputed Issues is without prejudice to (a) the Debtors' right to later identify and assert additional legal and factual bases for disallowance, expungement, reduction, or reclassification of the Claim and (b) the

Debtors' right to later identify additional documentation supporting the disallowance, expungement, reduction, or reclassification of the Claim.

WHEREFORE the Debtors respectfully request that this Court enter an order (a) disallowing and expunging the Claim, and (b) granting the Debtors such other and further relief as is just.

Dated: New York, New York  
December 4, 2007

DELPHI CORPORATION, *et al.*  
By their attorneys,  
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By:

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